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Action Suit Against Threshold Pharmaceuticals, Inc.

SAN DIEGO--(BUSINESS WIRE)--July 05, 2007
Lerach Coughlin Stoia Geller Rudman & Robbins LLP ("Lerach Coughlin") (<http://www.lerachlaw.com/cases/threshold>) today announced that a class action has been commenced in the United States District Court for the Southern District of New York on behalf of purchasers of Threshold Pharmaceuticals, Inc. ("Threshold") (NASDAQ:THLD) common stock during the period between February 4, 2005 and July 14, 2006 (the "Class Period"), including purchasers in Threshold's February 4, 2005 \$37 million initial public offering ("IPO") and its October 12, 2005 \$65 million follow-on offering.

If you wish to serve as lead plaintiff, you must move the Court no later than 60 days from today. If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact plaintiff's counsel, Darren Robbins of Lerach Coughlin at 800/449-4900 or 619/231-1058, or via e-mail at wsl@lerachlaw.com. If you are a member of this class, you can view a copy of the complaint as filed or join this class action online at <http://www.lerachlaw.com/cases/threshold/>. Any member of the purported class may move the Court to serve as lead plaintiff through counsel of their choice, or may choose to do nothing and remain an absent class member.

The complaint charges Threshold and certain of its officers and directors with violations of the Securities Exchange Act of 1934 and the Securities Act of 1933. Threshold discovers, develops, and commercializes small molecule therapeutics based on "Metabolic Targeting." During the Class Period, the Company's lead product candidate for the treatment of symptomatic benign prostatic hyperplasia ("BPH") was TH-070, a drug which utilized Threshold's patented Metabolic Targeting process.

The complaint alleges that in preparation for the Company's February 2005 IPO, defendants conducted a so-called "Phase II" study of TH-070 on 30 men at Bari University in Italy. Based on the purported success achieved in the Bari Phase II study, the Company completed its \$37 million IPO in February 2005, conducted additional clinical trials, filed a new drug application with the FDA in late 2005, and completed the \$65 million follow-on offering in October 2005. However, on May 11, 2006, defendants were forced to disclose that the FDA had placed the TH-070 program on partial clinical hold as a result of abnormalities observed in liver enzyme levels in six

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subjects in ongoing clinical trials and had requested that the Company provide additional information related to the drug's acceptable dose and duration of treatment in BPH patients. According to the complaint, while defendants had known for years of TH-070's propensity to cause liver toxicity, the IPO and follow-on offering prospectuses concealed it.

Then, on July 17, 2006, the Company was forced to concede that TH-070 provided no benefit whatsoever in the alleviation of prostate enlargement and that Threshold planned to discontinue development of TH-070 for BPH altogether. The complaint alleges that as a result of the defendants' false and misleading statements issued during the Class Period, Threshold stock traded as high as \$16.52 per share. After the Company's July 17, 2006 announcement, however, Threshold stock fell to \$1.55 per share.

Plaintiff seeks to recover damages on behalf of all purchasers of Threshold common stock during the Class Period (the "Class"). The plaintiff is represented by Lerach Coughlin, which has expertise in prosecuting investor class actions and extensive experience in actions involving financial fraud.

Lerach Coughlin, a 180-lawyer firm with offices in San Diego, San Francisco, Los Angeles, New York, Boca Raton, Washington, D.C., Houston, Philadelphia and Seattle, is active in major litigations pending in federal and state courts throughout the United States and has taken a leading role in many important actions on behalf of defrauded investors, consumers, and companies, as well as victims of human rights violations. Lerach Coughlin lawyers have been responsible for more than \$45 billion in aggregate recoveries. The Lerach Coughlin Web site (<http://www.lerachlaw.com>) has more information about the firm.

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